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# World Production and Trade

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## DAIRY, LIVESTOCK AND POULTRY

Six outbreaks of African Swine Fever have been discovered in north-west BELGIUM, the center of the Belgian hog industry, which accounts for approximately 50 percent of total production. The EUROPEAN COMMUNITY (EC) has imposed restrictions on trade in Belgian hogs and fresh and frozen pork products.

The origin of the outbreak first discovered on March 8 appears to be Spanish cured, uncooked pork. Belgian officials have reacted by destroying animals on the affected farms, prohibiting slaughter for market in the affected area and prohibiting operation of public animal markets and livestock shows throughout Belgium. There will be no immediate direct impact on U.S. trade due to this outbreak. However, if depopulation slaughter increases, it may reduce pressure on Danish pork exports to the United States and open up a market in the EC for more U.S. pork livers.

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Trade sources report that IRELAND has won tenders for 56,000 tons of beef exports to Iran, Egypt and Algeria, according to the U.S. agricultural attache in Dublin. These are for both bone-in and boneless frozen beef. The prices are reportedly between \$1,000 and \$1,400 per ton c.i.f.

In addition, Irish exporters will ship 10,000 head of live cattle to Egypt for delivery in April-May 1985. Irish beef exports to the Middle East have increased dramatically in the past five years, from 15,000 tons in 1980 to an estimated 74,000 tons in 1984. This is due almost exclusively to the EC system of generous export subsidies.

The Irish sales will have little direct impact on U.S. exports of beef. However, these new sales will displace more beef from traditional exporters such as Australia, which could result in more meat moving to the United States.

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LYNN K. GOLDSBROUGH, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.



The EUROPEAN COMMUNITY recently confirmed that 1,500 tons of intervention beef has been sold in the Far East: 500 tons to Okinawa and 1,000 tons to Singapore. No price information is available. This sale will have little direct impact on U.S. beef exports.

The beef was exported without export subsidies since the EC does not make subsidies available for beef to that part of the world. Following a meeting between the Prime Minister of Australia and the EC Agricultural Commissioner earlier this year, the EC announced that it had no intention of granting refunds (i.e. export subsidies) for sales of beef products to markets in the Far East. Reportedly, EC exporters were able to make these sales because they were receiving high prices in other markets and were able to make the shipments to the Far East at much lower margins.

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WORLD tallow production declined slightly in 1984 largely due to reduced Australian and U.S. output. A further decrease is expected in 1985.

In the United States, total 1984 tallow and grease production was down more than 2 percent because of reduced inedible tallow production. This decrease was due to unfavorable returns in the rendering/reprocessing industry. For 1985, a further decline in U.S. tallow production is expected based on expected lower red meat production, a continued strong dollar, and continued low palm oil prices vis-a-vis tallow.

EC tallow production rose 5 percent in 1984 because of increased cow herd culling due to the EC milk quota program. For 1985, tallow production is expected to fall because of a lower cattle slaughter forecast.

Reduced cattle slaughter in Australia and Canada caused tallow production in these countries to decline in 1984 and further declines are expected in 1985.

In New Zealand, tallow production continues to be relatively high because of both increased sheep meat production and increased rendering of surplus mutton.

In Argentina, tallow production was up in 1984 because of increased slaughter. A further increase is expected this year.

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World tallow production is as follows in 1,000 tons:

	1982	1983	1984 1/	1985 2/
United States	3,228	3,351	3,278	3,261
Canada	220	215	208	202
Argentina	276	255	275	286
EC-10	937	940	986	952
USSR	350	355	360	370
Australia 3/	316	308	250	248
New Zealand 4/	125	138	129	134
Total includes 36 countries	6,241	6,369	6,283	6,267

1/ Estimate. 2/ Forecast. 3/ July-June year. 4/ October-September year.

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DENMARK is expected to continue as the world's largest ranch mink producing country for the next several years, according to the U.S. agricultural counselor in Copenhagen. In 1983/84, Denmark produced 6 million skins, or about 20 percent of world production. Production is forecast to expand to 7 million skins in 1984/85 and 8.5 million in 1985/86.

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Poultry meat production in INDIA reached an estimated 143,000 tons in 1984, 5 percent above the 1983 level, according to the U.S. agricultural counselor in New Delhi. One of the major reasons for the increase is growing consumer preference for broiler meat. Poultry meat production in 1985 is forecast to expand about 2 percent to 146,000 tons.

India's egg production in 1984 is estimated at 15.06 billion pieces, 6 percent above 1983. Most of the growth in egg production is due to producers switching from local breeds to hybrid layers that lay more eggs per year. Hybrid layers currently account for nearly two-thirds of the laying flock. Egg production in 1985 is forecast to increase about 4 percent to 15.72 billion pieces.

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Cattle hide production in 39 SELECTED COUNTRIES totaled 4.335 million tons in 1984, about the same as in 1983. Hide production in 1985 is forecast to decrease slightly primarily due to reduced slaughter in the EC and the United States.

The major cattle hide exporters--the United States, Canada, Australia, South Africa and New Zealand--are expected to produce 1.325 million tons of hides in 1985, down about 4 percent from last year and only slightly above 1979-81 production levels. Since 1979, hide production in these countries has been relatively stable, ranging from 1.3 to 1.4 million tons. With continued weak markets for beef and reduced cattle inventories, there appears to be little prospect of any major increase in hide production in these countries in the short term.



Hide production in selected countries is as follows in 1,000 tons:

Country	1982	1983	1984 1/	1985 2/
United States	1,019	1,040	1,067	1,019
Canada	98	99	92	90
Australia 3/	155	159	124	117
South Africa	53	61	60	60
New Zealand 4/	46	44	38	39
Subtotal	1,371	1,403	1,381	1,325
EC-10	683	714	743	720
Argentina	293	270	291	302
Soviet Union	867	892	917	942
Brazil	308	322	295	309
Total includes 39 countries	4,306	4,324	4,335	4,308

1/ Estimate. 2/ Forecast. 3/ July-June year. 4/ October-September year.

#### COTTON AND FIBERS

CHINA is aggressively pursuing cotton export markets throughout Africa. Textile mills in a half dozen countries, including Egypt, Zaire and South Africa, have received samples of Chinese cotton. In a number of cases, China reportedly has offered cotton at below world prices and discussed alternative financial terms covering barter arrangements and payment in non-convertible currencies. With a crop estimated at 27.9 million bales and mounting stocks, the Chinese are taking an active role as world cotton traders in an effort to increase exports.

#### SEEDS

In the UNITED STATES, exports of seed for planting totaled \$205 million during July 1984-January 1985, 2 percent above a year earlier. Volume totaled 161,000 tons, an increase of 10 percent over last year. The export value of forage seed totaled \$43 million, vegetable seeds \$84 million, corn seed \$29 million and sorghum seed \$15 million for the seven-month portion of the marketing year. Major markets for U.S. seed exports were the European Community \$54 million, Mexico \$33 million and Japan \$30 million.

#### WOOD AND WOOD PRODUCTS

In the UNITED STATES, exports of solid wood products in 1984 totaled \$2.7 billion, down 5 percent from 1983. With few exceptions, the decline in exports was distributed across a broad range of products. Weak demand in Japan, the principal wood product market, contributed significantly to the decline. Japan alone accounted for \$58.4 million of the \$134.5-million decline. Lower prices for most wood product exports helped dampen the effect of the dollar's continued strengthening against foreign currencies.

In 1984, softwoods accounted for about 71 percent of the total value of wood exports. The value of U.S. softwood exports was down 6 percent compared with 1983 and hardwood exports were down 2 percent. Japan remained the largest single market for U.S. wood products, accounting for \$1.02 billion, or 38 percent of exports. Japan's share of U.S. export trade has fallen from 56 percent in 1979. Exports of U.S. wood products to Canada, the second leading foreign market, declined 6 percent to \$381.3 million. Wood shipments to China, however, continued their strong performance and were up 28 percent to \$287.8 million. China's share of U.S. wood exports increased to 11 percent, compared with 8 percent in 1983 and zero in 1979.



Selected International Prices

Item	: March 19, 1985	: Change from	: A year	
	:	: previous week	: ago	
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	183.00	4.98	+1.00	197.00
U.S. No. 2 DNS/NS: 14%....	165.00	4.40	0	178.50
U.S. No. 2 S.R.W. ....	164.00	4.46	+5.00	160.50
U.S. No. 3 H.A.D.....	177.00	4.82	+.50	193.00
Canadian No. 1 A: Durum...	187.00	5.09	-2.00	207.00
Feed grains:				
U.S. No. 3 Yellow Corn....	135.00	3.43	+2.00	162.00
Soybeans and meal:				
U.S. No. 2 Yellow.....	244.00	6.64	+5.25	316.80
Brazil 47/48% SoyaPellets 4/	155.00	--	+5.50	239.50
U.S. 44% Soybean Meal....	150.00	--	-2.00	231.00
U.S. FARM PRICES 3/				
Wheat.....	123.45	3.36	0	126.75
Barley.....	78.54	1.71	+.46	103.80
Corn.....	105.91	2.69	+1.18	132.68
Sorghum.....	95.02	4.31 2/	+1.10	110.89
Broilers 4/.....	1095.02	--	-46.52	1397.06
EC IMPORT LEVIES				
Wheat 5/.....	43.40	1.18	-.25	79.85
Barley.....	46.35	1.01	-.30	67.90
Corn.....	41.85	1.06	-1.45	55.40
Sorghum.....	54.55	1.38	-.70	67.40
Broilers 4/ 6/ 8/.....	144.00	--	-2.00	177.00
EC INTERVENTION PRICES 7/				
Common wheat(feed quality)	133.00	3.62	-1.65	182.95
Bread wheat (min. quality)7/	141.35	3.85	-1.75	199.25
Barley and all				
other feed grains.....	133.00	--	-1.65	182.95
Broilers 4/ 6/.....	972.00	--	-1.00	1226.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat .....	16.10	.44	+1.75	40.50
Barley.....	28.25	.61	+1.15	37.55
Broilers 4/ 6/ 8/.....	85.00	--	-1.00	139.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. N.A.=None authorized. N.Q.=Not quoted. Note: Basis April delivery.



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